

THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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IN RE:	*	Bankruptcy 23-90147
	*	Houston, Texas
MOUNTAIN EXPRESS OIL CO.,.	*	
	*	3:00 p.m. - 3:13 p.m.
DEBTOR	*	November 13, 2023

* * * * *

TELEPHONIC/VIDEOCONFERENCE MOTION HEARING

BEFORE THE HONORABLE EDUARDO V. RODRIGUEZ
UNITED STATES BANKRUPTCY JUDGE

* * * * *

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1 **APPEARANCES:**

2 For the Chapter 7 Trustee:

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5 MS. HEATHER HEATH MCINTYRE
6 **Hughes Watters Askanase LLP**
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7 For SQRL Holdings, LLC and SQRL Service Stations, LLC:

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9 MR. RICHARD A. AGUILAR
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12 New Orleans, LA 70130

11 For Mountain Portfolio Owner WI MI, LLC:

12 MR. JASON L. BOLAND
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17 For Blue Owl and Mountain Portfolio:

18 MR. BENJAMIN T. KURTZ
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21 For Schierl Sales Corp.

22 MR. DOUGLAS J. LIPKE
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P R O C E E D I N G S

3:09 P.M. - NOVEMBER 13, 2023

THE COURT: Good afternoon, everyone. Today is November 13, 2023. It's 3:00 o'clock. I'll take appearances in 23-90147, Mountain Express Oil Company. Mr. Kitchens?

MR. KITCHENS: Good afternoon, Your Honor.
Wayne Kitchens on behalf of Janet Northrup, Chapter 7
Trustee.

THE COURT: Thank you.

Mr. Chaney?

MR. CHANEY: Your Honor, Mark Chaney on behalf of SQRL Holdings LLC and SQRL Service Stations, LLC. Also, Your Honor, on the call today is Chris Lehnhof, who is the president of SQRL.

THE COURT: Okay.

MR. CHANEY: Also, my partner, Richard Aguilar, who is here, we've got a pro hac motion pending for Richard.

THE COURT: Okay. Mr. Aguilar, we could not find you registered in the State Bar. Is this in Louisiana?

MR. AGUILAR: Yes, Your Honor, I'm a Louisiana Bar licensed attorney. I appear in the Southern District of Texas often. Do you need me to send you a

1 Certificate of Good Standing or something like that?

2 THE COURT: I think that would be helpful.

3 MR. AGUILAR: Okay.

4 THE COURT: All right, thank you.

5 Mr. Boland?

6 MR. BOLAND: Good afternoon, Judge. Jason
7 Boland and Maria Mokrzycka with Norton Rose Fulbright
8 on behalf of Mountain Portfolio Owner WI MI, LLC.
9 We're joined with our co-counsel, David Golin of the
10 Saul Ewing Firm. And also, Your Honor, Andrew Morris,
11 who is a principal at Blue Owl Capital, appearing on
12 behalf of Mountain Portfolio, is also here.

13 THE COURT: All right, thank you.

14 Ms. McIntyre?

15 MS. MCINTYRE: Good afternoon, Your Honor.
16 Heather McIntyre with Hughes Watters Askanase,
17 appearing on behalf of Janet Northrup, Chapter 7
18 Trustee. And the Trustee is also available before the
19 Court today.

20 THE COURT: All right, thank you.

21 Mr. Kurtz?

22 MR. KURTZ: Good afternoon, Your Honor. Ben
23 Kurtz on behalf of Blue Owl and the Mountain Portfolio
24 entity.

25 THE COURT: All right, thank you.

1 All right, Mr. Kitchens?

2 MR. KITCHENS: Your Honor, I believe
3 Ms. McIntyre will taking the lead, but I do believe we
4 have an agreement with Mr. Chaney, I believe he'll be
5 advising the Court about it, as well as Ms. McIntyre.

6 THE COURT: Thank you.

7 Ms. McIntyre, go ahead.

8 MS. MCINTYRE: Thank you, Your Honor. Thank
9 you for granting the Trustee's Request for Court
10 Hearing in this matter. The Trustee filed this motion
11 last Thursday. Friday morning I was contacted by
12 Mr. Chaney, who has just been retained by SQRL. We had
13 had many emails and conversations with Mr. Chaney. And
14 as the Court will see in Docket No. 1701, SQRL counsel
15 has assured the Trustee that SQRL has agreed to stand
16 down in connection with the 24 properties that are here
17 in the Adversary Proceeding until further Order of the
18 Court or an agreement between the parties is reached.
19 And I think Mr. Chaney will confirm that.

20 Given this agreement and because the
21 parties are in active discussions to try to reach an
22 agreed resolution to the pending motion, the Trustee
23 would ask that the Court recess this evidence hearing.
24 We would hope to have an agreement on file by Friday.
25 And if we do not, the Trustee would like to move

1 forward with a reset of this Evidentiary Hearing on
2 Monday, November 20th. We have a matter set in this
3 case before the Court at 4:00 o'clock on Monday, and so
4 we would hope that we could reset for that afternoon if
5 the Court calendar allows.

6 THE COURT: Thank you.

7 Mr. Chaney?

8 MR. CHANEY: Yes, Your Honor. Ms. McIntyre is
9 correct. We were retained on Friday and spent a good
10 deal of time working, trying to get up to speed on the
11 circumstances of this. SQRL has agreed to stand down
12 and I just think we'll probably get an appropriate
13 Order for the Court, an agreement of the parties, with
14 all parties reserving their rights --

15 THE COURT: All right. Anybody else wish to
16 make an announcement on this matter?

17 MR. BOLAND: Your Honor, if I may, Jason
18 Boland with Norton Rose Fulbright on behalf of Mountain
19 Portfolio Owner WI MI, LLC. I just want to be very
20 brief, Your Honor. I don't want to get into the merits
21 of the pleadings given the parties' agreement, as
22 that's what we can do for each other.

23 We did file a response on behalf of
24 Mountain Portfolio earlier this afternoon, Your Honor,
25 at Docket No. 1704. It wasn't filed until about

1 1:00 p.m., so it may not have made its way to Your
2 Honor. So I just wanted to alert the Court of that
3 filing.

4 But I do just want to be very clear that
5 my client takes the allegations and the motions very
6 seriously and we vehemently dispute both factually and
7 legally as to Mountain Portfolio, Your Honor.

8 But putting aside those disputes for
9 purposes of today, my clients have repeatedly taken the
10 position, Your Honor, both before this Court and in
11 communications with Trustee or their counsel, that we
12 believe it's appropriate for all parties to in fact
13 stand down entirely. And so Your Honor either
14 adjudicates the Adversary Proceeding or issues any
15 other Orders in connection with these cases, Your Honor.

16 So we have not taken and will not take any
17 actions in respect to these properties, as been set per
18 the Court Order, and that's always been our stated
19 position. That's been our stated position to the
20 Trustee and her counsel, and that remains our position
21 today.

22 THE COURT: Thank you, Mr. Boland.

23 Yes?

24 MR. LIPKE: Your Honor, this is Douglas Lipke
25 on behalf of Schierl Sales Corp. I apologize to Your

1 Honor. The last hearing I was able to get on Go-To and
2 be on video and audio, but for some reason I was not
3 able to get on and I apologize to the Court.

4 The only issue I have, I'm very pleased,
5 I was asked by the Trustee to put a witness on at the
6 hearing, and that's Mr. Fritz Schierl. And the only
7 issue I have -- I'm very happy to hear everything
8 today. The only issue I have is that on Monday,
9 November 20th I will be in the air, I will be flying,
10 and I was wondering, as an accommodation, if there is
11 any other date other than Monday, November 20th for the
12 hearing. I'm hoping we won't need it based on
13 everything I've heard. My apologies, but I do have a
14 conflict that day.

15 THE COURT: All right, thank you.

16 Ms. McIntyre, should this hearing go
17 forward, about how much time would the Trustee need to
18 put on evidence?

19 MS. MCINTYRE: I would think it depends on the
20 evidence the other parties are wanting to put on, but I
21 would think 30 to 45 minutes for the Trustee's
22 presentation.

23 THE COURT: Mr. Chaney?

24 MR. CHANEY: Your Honor, with the same caveat,
25 what the parties intend to offer, but I would think

1 around an hour perhaps.

2 THE COURT: Thank you.

3 Mr. Boland?

4 MR. BOLAND: Your Honor, I would think 30 to
5 45 minutes is what I would have in mind. I would say,
6 just given the representations made to Your Honor in
7 this court today, I would question whether or not it's
8 an emergency at this point because I think Your Honor
9 has representations now made before you that probably
10 folks would be leery to act otherwise, Your Honor.

11 So I guess whether November 20th or not
12 is the date, I'll defer to the Court on that, but I
13 just wanted to mention that.

14 THE COURT: All right, thank you.

15 MR. CHANEY: Your Honor, I'm sorry, Mark
16 Chaney again. One more housekeeping matter. The
17 supplemental motion that we filed yesterday in
18 connection with the reset hearing date, I would also
19 ask the Court to recess the briefing just to make sure
20 we have an opportunity to file a supplemental response
21 if we're unable to reach an agreement and go forward.

22 **[Pause]**

23 THE COURT: Okay. I do have December 8th
24 electronically available. And that's at what,
25 9:00 a.m.?

1 MS. MCINTYRE: Heather McIntyre for the
2 Trustee, Your Honor. I'm available that day.

3 THE COURT: All right, Mr. Chaney?

4 MR. CHANEY: Yes, Your Honor. I would need to
5 check with my client.

6 MR. AGUILAR: Your Honor, this is Richard
7 Aguilar. To the extent that I'm going to be already
8 involved, I think I'm going to be traveling. I'll be
9 back in town on Sunday. I'm going to be traveling to
10 Pittsburgh for meetings with a client on the 7th and
11 8th. So, if we could pick another day than that, that
12 would be helpful to me. I apologize to the Court.

13 THE COURT: All right, let me look for another
14 date.

15 ***[Pause]***

16 I have Tuesday, November 28th
17 electronically as well, and that's at 9:00 a.m.

18 MS. MCINTYRE: Yes, Your Honor. Heather
19 McIntyre for the Trustee. That works for me. And then
20 my client, looking at her calendar as well.

21 THE COURT: Ms. Northrup?

22 MS. NORTHRUP: Your Honor, I'm going to be out
23 of town that day, but I'll make myself available
24 because I don't want this to go on any further than it
25 absolutely has to. We've got to get this matter

1 resolved.

2 THE COURT: Thank you.

3 Mr. Chaney?

4 MR. CHANEY: Chris, are you available that day?

5 MR. LEHNHOFF: I'm available.

6 THE COURT: Mr. Aguilar?

7 MR. AGUILAR: Yes, Your Honor, I'm available.

8 THE COURT: Mr. Miller?

9 MR. MILLER: Yes, Your Honor, that day works
10 for me. I would ask Mr. Morris if his firm is
11 available as well.

12 MR. MORRIS: Yes, that works for me.

13 THE COURT: Mr. Aguilar, something else you
14 wish to --

15 MR. AGUILAR: Yes, Your Honor. Who should I
16 contact in your office about my being a member of the
17 Bar. Maybe they looked up my name as a Richard Aguilar
18 or Ricardo Aguilar, which is my legal name. I don't
19 know.

20 THE COURT: That may be it. You can contact
21 my case manager, Norma Jeannie Chavez. She's on our
22 webpage.

23 MR. AGUILAR: Okay, thank you so much.

24 THE COURT: We can get that straightened out
25 pretty quick.

1 MR. AGUILAR: Yeah, thank you so much, Judge.

2 THE COURT: All right, so I'm going to set a
3 Final Hearing, Evidentiary Hearing on November 28th,
4 2023, commencing at 9:00 a.m. electronically on
5 Go-To-Meeting.

6 If the parties submit an agreed order
7 prior to that date and I sign it, I will terminate that
8 hearing; okay?

9 Witness and exhibit lists must be filed no
10 later than November 21, 2023.

11 MR. AGUILAR: And, Judge, what about
12 opposition?

13 THE COURT: November 17th.

14 Anything else we can take up today?

15 MS. MCINTYRE: No, Your Honor, I believe
16 that's it. I appreciate the Court's willingness and
17 ability to hear both a hearing and for your help in the
18 scheduling of this matter.

19 THE COURT: Absolutely.

20 Mr. Chaney?

21 MR. CHANEY: Thank you, Your Honor. Nothing
22 further.

23 THE COURT: Mr. Aguilar?

24 MR. AGUILAR: No, thank you, Your Honor. I
25 appreciate you.

1 THE COURT: Mr. Miller?

2 MR. MILLER: No, Judge, we appreciate it.

3 THE COURT: Anybody else wish to address the
4 Court before we sign off for today?

5 MR. LIPKE: Yes, Your Honor. This is Douglas
6 Lipke again. I want to thank you very much for the
7 accommodation.

8 THE COURT: You're very welcome.

9 I want to thank everybody for their
10 appearances and have a great afternoon.

11 ***[11:13 a.m. - Proceedings adjourned]***

12

13 C E R T I F I C A T I O N

14

15 I certify that the foregoing is a correct
16 transcript of the electronic sound recording of the
17 proceedings in the above-entitled matter.

18

19

20 /s/ Gwen Reed

21 4-2-24

22

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25